



CITY OF KIRKLAND

Police Department

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MEMORANDUM

To: Kurt Triplett, City Manager
Eric Olsen, Chief of Police

From: Michael Ursino, Administrative Captain
Lorrie McKay, Intergovernmental Relations Manager

Date: December 15, 2014

Subject: ANIMAL SERVICES DELIVERY OPTIONS

RECOMMENDATION:

It is recommended that the City council receives a briefing and gives direction on its preferred option for the provision of animal services either regionally or locally:

Option A – Extend, for two additional years, the current Interlocal Agreement (2013 ILA) with King County for Regional Animal Services (extension effective January 1, 2016 and ending December 31, 2017).

Option B – Extend, for one additional year, the current Interlocal Agreement (2013 ILA) with King County (extension effective January 1, 2016 and ending December 31, 2016) to align with the City's biennial budget and budget process.

Option C – Allow the current Interlocal Agreement (2013 ILA) with King County for Regional Animal Services to expire December 31, 2015. Effective January 1, 2016, provide Animal Services locally.

BACKGROUND DISCUSSION:

Animal Services

Three core services comprise the delivery of animal services. Those services are animal "control," animal "sheltering," and animal "licensing."

Animal Control

Control services include a mechanism for receiving inbound phone calls from the public, the dispatch of an animal control officer in response to calls, and the management of calls in the field by an animal control officer, including the collection and delivery of animals to a humane and reputable animal shelter.

Animal Sheltering

Shelter services include the general care, cleaning and nourishment of lost, stray or owner-released dogs, cats and some other animals. Animal shelters help advocate for animal welfare, educating people to ensure that animals are cared for and safe.

Pet Licensing

Licensing services include providing a system for pet-owners to license pets within a jurisdiction. According to Title 11 of King County Code, licenses are required for all dogs and cats kept within King County. The average license sells for approximately \$29. Pet license fees fund animal control, shelter and licensing services but may or may not cover the full costs of these programs depending on the animal service levels provided.

A Regional Approach to Provide Animal Services

In 2009, after having subsidized animal shelter and control services to the cities since the mid 1980's (in exchange for keeping all pet licensing revenue), King County determined that the gap between revenue and system costs had grown to a level that was not sustainable. In late 2009, King County committed to working with a Joint Cities-County work group to develop a new, regional model to provide animal services, in order to close the over \$2 million gap that King County was contributing annually from its general fund to support regional and unincorporated area animal services.

In June of 2010, Kirkland, along with 26 other cities, signed the 2010 "Regional Animal Services" ILA with King County, contracting for services effective on July 1, 2010 through December 31, 2012.

Kirkland's Interlocal Agreement (ILA) with King County Regional Animal Services

2010 ILA - The foundational cost allocation model in the 2010 ILA was designed so that one quarter of animal control service costs were allocated to each of four control districts. Within those districts, cost were further allocated to contracting cities based on a formula consisting of 50% call volume and 50% population. Allocated costs were then offset by actual license revenue generated within the city to result in net "out-of-pocket costs."

The effect of the population factor in the 2010 ILA cost allocation model was that cities with low-use of animal services (mostly northern cities) subsidized the cities with high-use of the system (generally southern cities). In response to the inequity, King County provided transition funding, a residential credit and an impact mitigation credit to some cities. The transition funding and credits were intended to limit the impact to those cities who had committed to sign the 2.5 year agreement. In 2010 the credit that Kirkland received was \$15,279, in 2011, \$54,475 and in 2012 it was \$30,569. Under the terms of the 2010 ILA, the credits available to Kirkland terminated on December 31, 2012.

The following table summarizes the City of Kirkland's actual total program costs, credits, pet license revenue and net costs under the 2010 ILA with RASKC.

2010 ILA Service Year	Total RASKC Program Costs	City Credits Received	Pet License Revenue	Actual Net Costs
2010*	\$91,015	\$15,279	\$67,139	(\$6,079)
2011**	\$241,386	\$54,475	\$182,093	(\$4,818)
2012	\$268,590	\$30,569	\$235,146	(\$2,875)

* - The city's pre-annexation population was 49,000.

** - Annexation occurred June 1, 2011, increasing the city's population to over 80,000.

The structure of the 2010 ILA's cost model resulted in wide ranging cost uncertainty for cities, making it difficult to effectively budget for final program costs, for each service year of the contract. Negotiations of the 2013 ILA (the current contract) sought to address this issue.

2013 ILA "The Bridge to Sustainability" – The 2013 ILA, termed "The Bridge to Sustainability," was made effective January 1, 2013 and is scheduled to terminate December 31, 2015. The cost allocation model in the 2013 ILA is a distinct improvement from the 2010 ILA, both in terms of the level of service to Kirkland's residents and pets, and in terms of the level of cost containment for the City's budget. Key components in the 2013 ILA are:

- Costs were capped, establishing a level of predictability, important to all partners.
- The cost allocation method is based more on use [80%], than on population [20%].
- Overall program costs were reduced through cuts and efficiencies, while service levels were maintained, with control service being available seven days per week.
- Cities have been involved in the development of service protocols, process improvements and new revenue generation.
- Increased the County's level of financial support to the system and support is held steady over the 3-year contract term.

At its June 19, 2012 regular meeting, in Resolution R-4925 authorizing the City Manager to enter into the current 2013 ILA for Regional Animal Services (RASKC), the Kirkland City Council directed staff to continue exploring the option of providing animal services locally. Staff was directed to determine if animal services can be provided effectively and efficiently, prior to the termination of the current ILA which expires December 31, 2015. Although there is one year left on the contract there are timelines that are moving closer and issues that need clarification.

The 2013 ILA adequately addressed the City's 2012 concerns by establishing cost predictability, controlling some service costs and minimizing financial risks. Exhibit F of the 2013 ILA, the License Revenue Support Contract, offered licensing support to cities in exchange for active participation from the City in the marketing and promotion of pet licenses. The City of Kirkland signed onto Exhibit F in September 2012, and committed to generate at least \$208,000 in pet license revenue each year for the 3-year term of the ILA, and committed to submitting quarterly reports to the County detailing its marketing and promotional efforts.

As "The Bridge to Sustainability," the primary focus of the 2013 ILA is on system revenue generation, because King County found it necessary to continue contributing \$2 million annually from its general fund to support the regional program in the current ILA. King County and the 26 contracting cities (the Joint City-County Committee and Collaborative Initiatives or JC4) have spent the past 22 months focusing on strategies and tactics to increase revenue in an effort to "bridge" the funding gap that continues to impact this program.

City of Kirkland staff from the Police Department, City Manager's Office, Finance & Administration, and Parks developed a plan at the end of 2012 to generate enough pet license revenue to fully cover the cost of the RASKC program, and meet the requirements of the License Revenue Support Contract. The City's plan set a target to try to sell 750 pet licenses per month. In 2013, Kirkland, in partnership with King County Pet Licensing, sold an average of 730 licenses per month. As of November 30 of this year, the City had exceeded its monthly goal, selling an average of a 760 per month so far in 2014. This successful interdepartmental effort and teamwork of Kirkland staff in pet license marketing, promotions and sales is not yet replicated by any other city in the RASKC system.

The following table summarizes the City of Kirkland's actual total program costs, license support, pet license revenue and net costs under the 2013 ILA with RASKC.

2013 ILA Service Year	Total RASKC Program Costs	City License Revenue Support	Pet License Revenue	Actual Net Costs
2013	\$236,983	\$22,802	\$252,081	\$0
2014*	\$246,629	\$11,483	\$235,146	\$0
2015*	\$251,479	\$118	\$251,597	\$118**

* 2014 & 15 estimates provided by King County RAS. As of November 30, 2014 Kirkland had generated \$239,160 in pet license revenue and anticipates generating an estimated \$15,000 more in December to close out the year.

** According to Section 7b. of the 2013 ILA, excess revenues are reinvested into the RASKC Program to reduce costs of the other Contracting Parties and to improve service delivery.

Mandatory Rabies/Licensure Proposal – Early in 2013, RASKC officials began working on a proposal to require veterinarians to license pets when they provide rabies vaccinations, and to provide that newly licensed pet's owner's contact information to King County Public Health. RASKC's staff was focused on the proposed rabies/licensure requirement of veterinarians, because it appeared that such an approach could license many more pets than are currently being licensed, and could potentially provide sufficient funding for much (if not all) of the regional animal services system in King County. Coupled with increased participation and effectiveness of cities selling pet licenses locally, the rabies/licensure proposal appeared to represent the "bridge to sustainability" that the regional animal services program is seeking.

In March of 2014, discussions with the veterinarians and the Board of Health (BOH) were moving much more slowly than hoped, so RASKC and Executive staff floated the notion of extending the 2013 ILA by one-year (terminating December, 31, 2016), in order to fully work the issue with both the vets and the BOH, and to align the ILA with the County's biennial budget. Most cities are also on biennial budgets. All of the cities attending the JC4 meeting, including Kirkland, agreed with the County's proposal to extend the terms of the 2013 ILA by one-year. The Parties understood that if the BOH approved the proposal in Sept/Oct/Nov of 2014, then RASKC would need additional time to set-up and implement the rabies vaccination & licensure program, getting regional animal services much closer to becoming a sustainable program.

Unfortunately, in September of 2014, RASKC officials notified JC4 attendees that the veterinarians did not, and will not support the rabies vaccination & licensure program. Further, the veterinarians had successfully convinced the King County Council to completely back away from pursuing the proposal any further. RASKC officials also communicated to the JC4, that it was the County's attorney's opinion that, since the current ILA only contemplates a potential two-year extension, the JC4 cannot extend the contract by one-year without going through a full amendment process, involving City/County Council approval. When RASKC took an informal poll, several cities informally supported a two-year extension, Kirkland informally supported a one-year extension to align with the City's biennial budget, and some cities informally supported either a one-year or two-year extension.

Market Driven Approach to Pet Licensing Proposal – With the notion of mandatory rabies data reporting now off the table, and with the need to build "the bridge to sustainability" still a priority, RASKC advised the JC4 in October that it intended to work with the veterinarians on a proposed market based approach (incentives) to new (not licensed) pet owners for having current rabies vaccination and micro-chipping their pets. RASKC and the veterinarians would continue to meet and outline more detail on this voluntary approach in the months ahead.

Given this new direction, late in the term of the 2013 ILA, RASKC acknowledged again that it would need additional time to develop the content & scope of this effort, set up a pilot and develop performance measures. Given the opinion of King County's attorney, and a majority preference of attendees of the JC4, RASKC officials proposed draft language of a two-year ILA extension (terminating December, 31, 2017). Kirkland staff, in consultation with the City Manager, restated a preference for a one-year extension to align with Kirkland's biennial budget. Kirkland staff noted that Section 4 of the current ILA (Attachment A) allows the City to negotiate an amendment and does not require all cities to agree to a 2 year extension. RASKC officials disagreed.

CURRENT CONTRACT EXTENSION (2013 ILA) DISCUSSION:

The existing three-year term of the current ILA expires December 31, 2015. As noted earlier, with the pursuit of the mandatory proposal halted after 22 months of effort, and with the voluntary effort in its initial stages of development, options for extending the terms of the 2013 ILA are now being considered.

One-Year Contract Extension

Although initially proposed by King County, the County's attorney's advised that, since the current ILA only contemplates a potential two-year extension, the JC4 cannot extend the contract by one-year without going through a full amendment process, involving City/County Council approval. Kirkland agrees that a Council-approved amendment is required to extend the contract for one year. However, Kirkland believes this can be accomplished by a straightforward bilateral agreement between Kirkland and King County. Kirkland does not read the ILA to require that if one City extends only for a year, that all cities must also extend for year. Kirkland's analysis is based on Section 4 of the current ILA.

Section 4.b.i. of the current ILA states that "either Party may propose amendments to the Agreement as a condition of an extension." Section 4.b.ii. further states that "nothing in this Agreement shall be construed to compel either Party to agree to an extension or amendment of the Agreement, either on the same or different terms."

RASKC officials disagree and proposed draft language of a two-year ILA extension (Attachment B), which states that the terms in Section 4 are considered "superfluous" and asks cities to waive their rights to the terms and allowances outlined in Section 4. RASKC officials have asked cities to indicate their intention to sign onto the extension by mid-November (Attachment C). City of Kirkland staff consider the terms in Section 4 to be important and felt that the Kirkland City Council needed to review the issue before Kirkland could consider waiving the City's rights and allowances under Section 4. Staff continue to believe that an agreement to extend for one-year to align with the City's biennial budget can be beneficial to both Kirkland and King County.

City of Kirkland Proposal for One-Year Extension, With an Option to Extend a Second Year

On October 8, 2014, the City Manager and the Intergovernmental Relations Manager met with the Executive's Regional Affairs Director and the Regional Animal Services Manager to discuss the extension issue. At this meeting, the City Manager proposed a one-year extension of the ILA (through 2016) for the City of Kirkland, with the option to extend an additional year (through 2017). The King County representatives were unwilling to entertain this proposal, saying that they want to treat every city the same.

At the October 22, 2014 meeting of the King County Regional Policy Committee, Council and Executive staff briefed the committee on the issue of the RASKC ILA extension. County staff reported that "one city (Kirkland) expressed a preference for a one-year agreement." They further stated that "parties may propose amendments to the Agreements as a condition of extension." (Attachment D)

For the sake of discussion, assuming King County were to agree with the City's 1-year extension proposal, and if City Council chose to extend the ILA for an additional one year (through December 31, 2016), with the option to extend for a second year, Kirkland can anticipate generating enough pet license revenue to meet the total RASKC program costs for service years 2016, and 2017 too if need be. RASKC's current 2016 estimates (Attachment E) suggest that Kirkland is likely to generate \$11,645 in excess revenue which, according to Section 7 of the ILA, will be reinvested into the RASKC Program to reduce costs of the other Contracting Parties and to improve service delivery.

Providing Animal Services Locally

The option to extend the ILA for one year carries with it an assumption that, in 2017, the City **may** choose to provide animal services locally. This scenario would require an outlay of start-up costs from the City in 2016, while it is still under contract with RASKC. The estimated start-up costs include one-time expenses of approximately \$105,396 for the purchase of a vehicle and animal control equipment. Start-up costs would also include an estimated \$27,778 in the 4th quarter of 2016 (three months) for ongoing costs for salary, benefits and training for an Animal Control Officer to be hired, trained and ready by January 1, 2017.

The following table summarizes the City of Kirkland's estimated total program costs, license support, pet license revenue and net costs or revenue under a one-year extension of the ILA, and with the City taking over the provision of services the following year.

ILA Extended 1-yr Then City Takes Over -Service Year-	Estimated Total Program Costs	License Revenue Support	Pet License Revenue	Estimated Net (Costs)/Revenue
2016 (w/RASKC)	\$239,152	\$0	\$251,597	\$11,645*
2016 (City of Kirkland)	\$133,174	N/A	N/A	(\$133,174)**
2017 (City of Kirkland)	\$178,451	\$0	\$252,000	\$73,549

* According to Section 7b. of the 2013 ILA, excess revenues are reinvested into the RASKC Program to reduce costs of the other Contracting Parties and to improve service delivery.

** Staff estimate one-time start-up expenses of approximately \$105,396 for the purchase of a vehicle and animal control equipment in the year prior to the City's provision of service and while the City is still under contract with RASKC. Further, staff estimate \$27,778 in ongoing costs for 4th quarter salary, benefits and training, for an Animal Control Officer to be hired, trained and ready.

If the City were to exercise the option to extend the ILA into the second year, then when the contract terminates December 31, 2017, the City could provide animal services locally beginning in 2018. The start-up costs required from the City under this scenario would be expended in 2017, again still while under contract with RASKC.

The table below summarizes the City of Kirkland's estimated total program costs, license support, pet license revenue and net costs or revenue after opting to extend the a one-year extension of the ILA for a second year, with the City assuming the provision of services the following year, 2018.

ILA Extended 1-yr Then City Takes Over -Service Year-	Estimated Total Program Costs	License Revenue Support	Pet License Revenue	Estimated Net (Costs)/Revenue
2016 (w/RASKC)	\$239,152	\$0	\$251,597	\$11,645*
2017 (w/RASKC)	No preliminary estimate available	\$0	No preliminary estimate available	\$3,897*
2017 (City of Kirkland)	\$133,174	N/A	N/A	(\$133,174)**

* According to Section 7b. of the 2013 ILA, excess revenues are reinvested into the RASKC Program to reduce costs of the other Contracting Parties and to improve service delivery.

** Staff estimate one-time start-up expenses of approximately \$105,396 for the purchase of a vehicle and animal control equipment in the year prior to the City's provision of service and while the City is still under contract with RASKC. Further, staff estimate \$27,778 in ongoing costs for 4th quarter salary, benefits and training, for an Animal Control Officer to be hired, trained and ready.

Two-Year Contract Extension

At the September and October meetings of the JC4, RASKC and Executive staff provided city representatives with draft language to extend the terms of the ILA through December 31, 2017, saying that all cities must extend for two years, in order to avoid going through a full amendment process, involving City/County Council approval, and to avoid the time commitment it would take to negotiate. As mentioned above, the draft language proposed for the two-year extension of the ILA states that the terms in Section 4 are considered "superfluous" and asks cities up to waive their rights outlined in Section 4.

In October, RASKC officials voiced concern about whether or not the King County Council would approve the contract if it had to go through County Council process. Since October, the County Council has approved the biennial 2015-16 budget for King County, which includes funding for Regional Animal Services (Attachment F). While the County's biennial budget does appropriate \$14 million and 43.17 FTE's to RASKC, \$100,000 is allocated solely for the purposes of conducting a promotional campaign to increase pet license sales. Also, there is a proviso stating that *"\$1.9 million of this allocation shall not be expended or encumbered until the executive transmits a financial sustainability report, a motion that accepts the report, and until the motion is passed by council."*

This proviso language raises the new issue of what happens if the King County Council does not fund RASKC at the levels requested by the Executive in 2015, 2016 or 2017. While the language of the two year extension does commit the County to provide the credits and support to the contracting Parties specified in the agreement, according to the King County Prosecuting Attorney's Office, there is no *requirement* in either the current ILA or the proposed ILA Extension regarding County funding levels. The potential impacts of this scenario have not been discussed and are uncertain.

That said, if the City of Kirkland chooses to extend the ILA for an additional two years (through December 31, 2017), and if the County Council fully funds RASKC, then Kirkland can anticipate generating enough pet license revenue to meet the total RASKC program costs for service years 2016 and 2017. In fact, over the two year extension period, RASKC currently estimates (Attachment G) that Kirkland will generate \$15,542 in excess revenue which, according to Section 7 of the ILA, will be reinvested into the RASKC Program to reduce costs of the other Contracting Parties and to improve service delivery. **If the County Council withholds the \$1.9 million in funding, it is unclear if the City would experience an increase or a decrease in costs, as this scenario has not been modeled.**

The following table summarizes the City of Kirkland's estimated total program costs, license support, pet license revenue and net costs under a two-year extended ILA with RASKC.

ILA Extended 2-yr -Service Year-	Estimated Total Program Costs	License Revenue Support	Pet License Revenue	Estimated Net (Costs)/Revenue
2016 (w/RASKC)	\$239,152	\$0	\$251,597	\$11,645*
2017 (w/RASKC)	No preliminary estimate available	\$0	No preliminary estimate available	\$3,897*

* According to Section 7b. of the 2013 ILA, excess revenues are reinvested into the RASKC Program to reduce costs of the other Contracting Parties and to improve service delivery.

Under the two-year extension scenario, with the contract terminating December 31, 2017, the City could choose to provide animal services locally beginning in 2018. This direction would require an outlay of start-up costs from the City in 2017, while still under contract with RASKC. The estimated start-up costs include one-time expenses of approximately \$105,396 for the purchase of a vehicle and animal control equipment. Start-up costs would also include an estimated \$27,778 in the 4th quarter of 2017 (three months) for ongoing costs for salary, benefits and training for an Animal Control Officer to be hired, trained and ready by January 1, 2018.

Potential Risk to 2017 Funding of Regional Animal Services Program in King County Biennial 2017-18 Budget

In addition to the risk associated with \$1.9 million proviso that the King County Council stipulated in its 2015-16 biennial budget for Regional Animal Services, there are similar risks associated with County funding levels for 2017, the second year of the proposed two-year extension as well.

Even if all of the funding for Regional Animal Services in King County's biennial 2015-16 budget is appropriated to the program in 2015 and 2016, there is no requirement in either the current ILA or the proposed ILA Extension regarding County funding levels for 2017, the second year of the proposed extension, according to the King County Prosecuting Attorney's Office. As mentioned, this risk has not been discussed with RASKC officials at the meetings of the JC4 meetings and therefore has not been modeled. In preparing this memo, Executive staff have communicated that if there were a reduction in the budget of some amount, the county would honor the terms of the contract, including the credits and support specified in the agreement. Executive staff suggest that city costs could possibly decline if the County's overall budget was reduced, but allocable costs would not necessarily be impacted depending on where the cut is made. Also, the cost cap would also still apply.

Section 4biii of the current ILA states that the County will give "serious consideration to maintaining the various credits provided to the Contracting City under this Agreement in any extension of the Agreement." At the same time as the draft ILA Extension language describes Section 4 as superfluous, and has the Parties waive their rights to that section's provisions, the proposed extension agreement repeats this language from Section 4biii. However, "serious consideration" is all that is required. King County could give serious consideration to maintaining funding levels through 2017, and then decide not to.

This consideration is serious and represents a financial risk to cities. Since 2009, after King County determined that its annual contribution of \$2 million from its general fund to support

animal services was unsustainable, the County has been trying to close this gap. The regional animal services model was established in order to close the gap. However, under both the 2010 ILA and the 2013 ILA, the County has needed to provide substantial subsidies to the regional program through transition funding and credits, intended to limit the impact to those cities who had committed to sign those ILAs and keep them committed. County Councilmembers publicly expressed concern in 2012 that King County was committing to contributing more into the system under the 2013 ILA than it had in the 2010 ILA. The proviso in the County's 2015-16 budget reiterates this concern.

Finally, if the voluntary, market-based approach to pet licenses falls short of bridging the \$2 million gap of what King County is subsidizing the program, and if the King County Council (when adopting the County's 2017-18 biennial budget) decides to cut the \$2 million funding subsidy that it's been contributing to Regional Animal Services Program, there is no language in the current ILA or the proposed Extension ILA that provides cities the ability to withdraw from the agreement in the event of County funding cuts for 2017.

2018 ILA - The Next Round of Animal Services ILA/Contract Negotiations

Assuming the City Council chooses to extend the current contract for two years, the Parties will face the need for a new contract agreement beginning January 1, 2018. Kirkland's City Council should expect to revisit this question of negotiating and signing a new ILA/contract for animal services in September of 2016.

CITY NOTIFICATION TO RASKC OF ITS INTENTION WITH THE CURRENT CONTRACT:

The City has communicated to RASKC that it will notify the County in January 2015 of its intentions regarding the question to extend the 2013 ILA for one or two years, or allow it to expire on December 31, 2015. The purpose of the Study Session is to receive Council direction on which path to take.

CONSIDERATION FOR CITY OF KIRKLAND'S LOCAL ANIMAL SERVICES PROVISION:

In adopting Resolution R-4925 on June 19, 2012 the Kirkland City Council directed staff to determine if animal services can be provided cost-effectively and efficiently prior to the termination of the current ILA which expires December 31, 2015. In 2015 there are timelines in the contract that are moving closer and final decisions need to be made.

Two years through the current ILA/contract, with considerable planning and effort by staff in the Police Department, City Manager's Office, Finance and King County RASKC, the regional program has been cost-neutral for the City of Kirkland. In 2013, with City staff focusing on pet license sales, program revenues exceeded program costs, with the excess revenue being reinvested into the regional program according to the terms in the current ILA.

If the City of Kirkland were to provide animal services locally, beginning in January of 2016, it could efficiently deliver the service to its residents and do so more cost effectively (Attachment H). Depending upon whether or not Council chose to amortize requisite start-up costs in 2016, staff estimate the excess revenue at \$73,549 annually, or \$38,417 annually with a scheduled three year amortized annual payment of \$35,000.

In the spring of 2011, Kirkland staff began reaching out to the animal service program managers at cities that are providing animal services on their own in order to learn from their experiences. Specifically, staff contacted the cities of Bothell, Federal Way, Des Moines, Renton

and Burien to understand how these cities were providing animal services and what lessons they could share.

A couple of key issues were identified:

- Have a contract in place for an animal sheltering option
- Expect that Animal Control and Animal Shelter usage would increase, based on focused availability of enforcement (approximately 25%)

Staff explored options for contracting for all three of the animal services that are currently provided under the 2013 ILA with King County. Finally, staff included a comprehensive look at the benefits and drawbacks to both regional and local options. Areas explored:

- Animal Control
- Animal Sheltering
- Pet Licensing
- Increase in service
- Benefits and Drawbacks

Animal Control

The chart below shows estimated costs of employing an Animal Control Officer (ACO). City staff have determined that an Animal Control Officer could be employed by the City January 1, 2016 at an annual cost of \$114,748 (includes wages, benefits, vehicle maintenance and replacement, laptop, software, etc.). In addition, animal control service would include an estimated \$350 in NORCOM dispatch costs. Importantly, there are estimated one-time expenses of approximately \$105,396 for the purchase of a vehicle and animal control equipment in 2015, while the City is still under contract with RASKC, in order to start-up a City run program. Also in 2015, staff estimate \$27,778 in ongoing costs for three months of salary, benefits and training, for an Animal Control Officer to be hired, trained and ready by January 1, 2016. (Attachment I)

City of Kirkland 2015 Start-Up Cost Model

Kirkland Animal Control	2015 Vehicle & Equipment Costs	2015 ACO Hire Costs	2015 Total Start Up Costs
One time start up	\$105,396		(\$105,396)*
On-going		\$27,778	(\$27,778)
			(\$133,174)

* Vehicle and Equipment Costs Could be Amortized over 3 years, at \$35,132 per year beginning in 2016.

Staff understands that while modeling a cost to 'start-up' a new program is important it is equally important to identify the benefit to the City. Most of the benefits can be identified in the job description that has been prepared in anticipation of advertising for the position. The following information is included in the job description, highlighted areas are of particular benefit to the City.

Examples of ACO's Essential Duties:

- **Works independently under general supervision**, and responds to complaints from the public regarding barking dogs, stray, sick, injured, and mistreated domestic animals;

may work with wildlife and livestock. Captures and transports domesticated animals to appropriate facilities for care.

- Prepares and maintains a variety of files. Writes reports and maintains records of pet licenses and citations issued, contacts made and follow-ups required.
- Prepares case reports and testifies in court.
- Issues pet licenses in the office or in the field; accounts for funds received and documents processed.
- Responds quickly to and investigates/resolves complaints and reported problems related to animal control.
- Facilitates the return to owner of pets collected in the field with valid licenses.
- The ACO may also be required to deal appropriately with dangerous dogs and issue citations to the owners of any animals that are in violation of local or state law.
- Operates and maintains an animal control vehicle; utilizes a variety of animal control devices and equipment including leash, muzzle, traps, and radio.
- Cleans and maintains animal control cages and traps utilized to detain animals.
- Removes deceased animals from roads, private property, and other locations.
- Attends meetings and public gatherings to provide community education and information relating to the City's animal control program.
- Wears police department approved uniform and related equipment.
- Presents and maintains a positive and professional image of the police department.
- May be assigned to irregular work shifts including evening, weekend and holiday shift assignments, and is subject to call out.
- Supports the relationship between the City of Kirkland and the constituent population by demonstrating courteous and cooperative behavior when interacting with clients, visitors, and City staff; enthusiastically promotes the City goals and priorities in compliance with all policies and procedures.
- Maintains and enforces absolute confidentiality of work-related issues, client records and City information; monitors staff compliance to security procedures and privacy laws, policies and guidelines; performs related duties as required or assigned.

One officer cannot cover the entire city all of the time, therefore staff has reached out to the Bothell Police Department, who have operated their Animal Control unit from the patrol division of their department since 2010. Bothell administration was open to discussing reciprocating services to cover days off and vacations. The areas thought to be of benefit to both cities include:

- Training
- Overlapping coverage
- Sick leave
- Vacation schedule
- Other mutual aid issues
- Temporary Kenneling

Animal Sheltering

Staff reached out to the Progressive Animal Welfare Society (PAWS) to determine if this animal shelter organization has the capacity to serve the City of Kirkland, as well as confirm their interest in contracting shelter service with the City. PAWS representatives have indicated that they have the capacity and are interested in working with Kirkland. Representatives indicated that the individual animal intake charge would be \$165.

The first chart below shows the estimated costs in 2016 associated with sheltering animals with Progressive Animal Welfare Society (PAWS). The second chart shows the estimated costs in 2016 associated with sheltering animals with Regional Animal Services of King County (RASKC).

2016 Estimated Cost of Sheltering Animals with PAWS –2014 Intake Estimates

Animal Shelter Use Data	PAWS
	Cost Per Intake
1 Animal Intake	\$165
2014 Total Estimated Intakes = 100	\$16,500

2016 Estimated Cost of Sheltering Animals with RASKC –2014 Intake Estimates

Animal Shelter Use Data	RASKC
	Cost Per Intake
1 Animal Intake	\$985.75
2014 Total Estimated Intakes = 100	\$98,575*

* Source: RASKC Estimated 2016 Payment Calculation (Annualized) (attachment E)

Sheltering is a more permanent solution to housing animals. However, the need for temporary kenneling is necessary. Holding an animal temporarily until an owner can respond to the ACO and pick up their pet is a local service that Kirkland does not currently have. Temporary holding pens are included in the 'Start-up' costs, not for animals that have to be sheltered, but for those that have to be temporarily held when necessary. This was also addressed in conversations with Bothell and once an ACO is in place, conversations and hopefully partnerships, with local facilities can be established. Delivery of an animal is also something the city can offer. Although it is offered under the current RASCK ILA staff can continue to develop policy related to one time offenders and also the repeat offender.

Pet Licensing

Staff explored the potential of contracting pet license processing services with PetData, a private company that provides this service by contract to other cities in Washington and in other states across the country. PetData charges \$4.10 per license processed on a multiyear contract. PetData maintains the data on pet-owners. The company sends out two renewal notices to licensed pet owners annually. They will also provide a list of delinquent owners to the City for follow up contact. This process, combined with the City's marketing plan for promoting pet license sales should be able to provide seamless pet licensing services to Kirkland's pet owners and provide consistent pet license processing service to the City without any additional FTE's, and no new overhead or administrative charges.

Cost for Administration of Pet Licensing –2014 Estimates for Licenses Sold

Pet License Cost	Quantity	Estimated PetData Costs
Cost per License	one	\$4.10/license
2014 Total Number of Licenses Sold	8,769	\$35,952

Over the past three years pet license sales have increased approximately 10%. This is partially due to the License Revenue Support that the City sub-contracts for with RASKC (marketing and canvassing), and is directly related to the planning and efforts City staff have dedicated to the marketing and promotion of pet license sales and renewals.

According to the Humane Society, the national average for pet ownership is approximately 47% of all households have dogs, and 36% own cats. That would indicate there is plenty of room to increase pet license sales in Kirkland. The following marketing strategies are examples that may be used to raise awareness to the benefits of pet licensing and to encourage timely renewals. These strategies are currently being employed and are intended to be used continually over the course of a given service year. Included in the City's proposed cost model is \$10,900 in on-going funding to insure that marketing continues and license sales remain strong. (See Attachment J for plan)

- Printed Materials
- Paid Advertising
- Special Event Information Booth
- Special Mailings/Inserts
- Web/Electronic/Telephone Contacts
- Earned Media
- Renewal Efforts
- Door-to-Door Canvassing
- Strategy for expanded sales efforts

Increase in Animal Services Estimate

In providing animal services locally, staff estimate an increase in service demand in both calls for animal control, as well as animal intakes at the shelter. Based on information received from other jurisdictions, they estimated the increase was about 25%. However, as the City has historically experienced, after the 2011 annexation, request by the public for services increased, and has receded to a new normal level of service. Activating a local Animal Control unit will likely show a similar response from the public, as an increased demand for service and then reset to a new normal. Staff will then be able to accurately evaluate the program and measure the performance after a few years of data.

To show combined service/costs of the model the below chart shows estimates for services including all of the equipment necessary to field an Animal Control Unit. The first chart shows the 2015 one time start-up costs paid up front without amortization. The second charts shows amortization over a three year period, beginning in 2016, for the initial equipment outlay of \$105,396.

Estimated Costs for Services Based on 2016 estimations (Start-up costs paid in 2015)

Service Description & Unit Costs	2015 est	2016 (est)	2017 (est)	2018 (est)
Kirkland Control 1FTE	\$27,778	\$114,748	\$119,540	\$124,635
PAWS Sheltered 100 @ \$165	RASKC ILA	\$16,500	\$16,500	\$16,500
PetData Lic. sales 8,769 @\$4.10*	RASKC ILA	\$35,953	\$35,953	\$35,953
Pet License Marketing & Promotion	RASKC ILA	\$10,900	\$10,900	\$10,900
NORCOM Priority 1= 10 @ \$35.		\$350	\$350	\$350
One-time Start-up Costs	\$105,396			
Estimated Program Costs Totals	(\$133,174)	\$178,451	\$183,243	\$188,338
Pet Lic. Sales Revenue 8,769 @ \$28.7 average.	RASKC ILA	\$252,000	\$252,000	\$252,000
Net (Cost)/Revenue Allocation	(\$133,174)	\$73,549	\$68,757	\$63,662

Estimated Costs Following Amortization of Start-up Expenses
(\$35,000 per year over 3-years)

Description	2015 est	2016 (est)	2017 (est)	2018 (est)
Kirkland Control 1FTE	\$27,778	\$114,748	\$119,540	\$124,635
PAWS Sheltered 100 @ \$165	RASC ILA	\$16,500	\$16,500	\$16,500
PetData Lic. sales 8,769 @\$4.10	RASC ILA	\$35,953	\$35,953	\$35,953
Marketing/Admin	RASC ILA	\$10,900	\$10,900	\$10,900
NORCOM Priority 1 = 10 @ \$35.		\$350	\$350	\$350
One-time Start-up Costs	\$105,396			
Estimated Program Costs Totals	(\$133,174)	\$178,451	\$183,243	\$188,338
Amortized One-time Start-up Costs /3 years		<i>(\$35,132)</i>	<i>(\$35,132)</i>	<i>(\$35,132)</i>
Pet Lic. Sales Revenue (average) 8,769@ \$28.7	RASKC ILA	\$252,000	\$252,000	\$260,739
Net (Cost)/Revenue Allocation	(\$133,174)	\$38,417	\$33,625	\$28,530

(Attachment I)

Considerations for Net Revenue

Under either of these scenarios, Council has several options to consider with regard to pet license fees, including sticking with the County's fee structure. Other considerations include having an ability to fund more leash law patrol in the city's parks, responsive to recent resident requests. Currently, in the RASKC program, Kirkland shares one Animal Control Officer with eight other cities. Council could direct that the excess revenue be invested into an additional patrol during the high season for example. Another option, would be to reduce licensing fees for Kirkland's pet owners once the one-time costs are recouped. As another example, excess revenue could be invested into spay and neuter efforts.

Benefits and Drawbacks

Both regional and local options have benefits and drawbacks, other than net revenue. The below tables highlight most of the benefits and drawbacks to both options

Benefits & Drawbacks of Option A
Participation in King County Regional Animal Services:

Option A Benefits of King County Regional Animal Services	Option A Drawbacks of King County Regional Animal Services
<ul style="list-style-type: none"> • Provides a consistent level of service, common regulatory approach, and humane animal care across the region • Allows local police agencies to focus on traditional law enforcement instead of civil animal offenses (barking, off-leash, unlicensed animals) • Provides a low-cost spay and neuter program. • Reduces the demand on individual jurisdictions to respond to public disclosure requests • Use of volunteers and partnerships with private 	<ul style="list-style-type: none"> • King County has sole discretion and judgment of service prioritization and dispatch decisions • County's model provides for city input on control response protocols but any recommendations are non-binding and may be dismissed • Shelter costs are nine times more expensive than alternative shelter options • There is no flexibility to allow a City an "a la carte" option where they could purchase only licensing or control services • Pet license sales revenue is modest and may

<p>animal welfare groups increases humane animal treatment with minimal public cost</p> <ul style="list-style-type: none"> • Takes advantage of current technology - officers can access calls and database in the field; customers receive email notices prior to mailed renewal notices; citizens can locate lost pets online or by phone; cities get detailed reports on level and types of activity in their jurisdiction • King County Board of Appeals hears appeals to civil offenses, centralizing the adjudication • Provides a single access point for residents searching for a lost pet or seeking animal control help and citizen complaints • Pet Adoption Center is open 7 days a week • A regional, uniform pet licensing program that is simple for the public to access and understand, with a broad range of accompanying services to encourage licensing; marketing, and license sales • Online licensing sales increases compliance • Provides the ability to identify and track rabies and other public health issues related to animals on a regional basis • Provides capacity to handle unusual and multi-jurisdictional events involving animals that require specialized staff, such as: horse cruelty, animal hoarding, loose livestock, dog-fighting, animal necropsies and quarantine, holding of animals as evidence in criminal cases and retrieval of dead animals • Animals find new homes and are not euthanized for capacity • Provides regional preparedness planning & coordination for emergency/disaster response 	<p>never fully recover program costs</p> <ul style="list-style-type: none"> • Cost allocation model assumes City's ability to sell an untested amount of pet licenses to offset program costs • A city's service reports on levels and types of activities can only be generated by County staff, making timely access to accurate report information inconvenient and challenging • All report formats are controlled by the County and formats change frequently. Information is not consistent • Local residents reach out to the City with animal services questions, regardless of King County Animal services representing a single point of contact • There is no ability for a City to set a service level with King County that is most appropriate to its needs • County's model requires an increased commitment from cities toward efforts to generate revenue • At this point in time, the County's model at best is cost neutral with limited service
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Benefits & Drawbacks of Option C
Providing Animal Services Locally through the City of Kirkland:

Option C Benefits of Kirkland Providing Animal Services	Option C Drawbacks of Kirkland Providing Animal Services
<ul style="list-style-type: none"> • With historically low service use, net costs of a local animal services program are less expensive and more manageable over time • Modest pet license sales could fully recover Costs and then some • Allows City to determine appropriate local level of service and regulatory approach • Provides for humane animal care. • City staff would have discretion and judgment of service prioritization and dispatch decisions • City staff would have immediate access to service report information • City Animal Control Officer could provide consistent local service and resident familiarity • Subcontracting shelter services to a private non- 	<ul style="list-style-type: none"> • City would be starting a new line a business • City would have to create a new Full Time Employee position in the Police Department for an Animal Control Officer • In 2015, there are one-time start-up costs to the City of \$118,089 • Technology - City would need to develop reporting systems & formats for the three services in order to monitor the program and find areas for improvement (New World) • Local residents may be confused during the transition about which agency provides animal services • City would have to identify a temporary animal holding pen for animals brought in during hours

profit keeps the City out of the shelter business <ul style="list-style-type: none"> • Subcontracting shelter services to a non-profit shelter organization decreases the per animal cost by up to \$800 • Non-profit shelter organizations provide a low-cost spay and neuter program for qualifying low income customers • City use of volunteers and partnerships with private animal welfare groups increases humane animal treatment with minimal public cost • Provides a local single access point for residents searching for a lost pet or seeking animal control help and citizen complaints • Subcontracting pet license process enables City Finance Department to continue focusing on current work load (No New FTE) • Subcontracting pet license sales through PetData is simple for the public to access and understand 	when the non-profit shelter is closed <ul style="list-style-type: none"> • City would be fully responsible for developing marketing efforts to encourage licensing and to promote license sales • City would have to develop relationships with various animal rescue groups, veterinary hospitals and other businesses to manage unusual events involving animals that require specialized staff, such as: horse cruelty, animal hoarding, loose livestock, dog-fighting, animal necropsies and quarantine, holding of animals as evidence in criminal cases and retrieval of dead animals • City would have to develop relationships with surrounding agencies for assistance
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SUMMARY AND OPTIONS

Staff has been working over the past two years both as an engaged and effective contracting city partner in the RASKC program, as well as developing an alternative local model for the delivery of animal services in Kirkland. Options for service include:

Option A – Extend, for two additional years, the current Interlocal Agreement (2013 ILA) with King County for Regional Animal Services (extension effective January 1, 2016 and ending December 31, 2017).

Option B – Extend, for one additional year, the current Interlocal Agreement (2013 ILA) with King County (extension effective January 1, 2016 and ending December 31, 2016) to align with the City's biennial budget and budget process.

Option C – Allow the current Interlocal Agreement (2013 ILA) with King County for Regional Animal Services to expire December 31, 2015. Effective January 1, 2016, provide Animal Services locally.

Council Direction Requested

The City has communicated to RASKC that it will notify the County in January, 2015 of its intentions to extend the 2013 ILA or allow it to terminate. As outlined in the memo, there are benefits and challenges to the City in either model. The best choice for Kirkland truly depends on what policy goals are prioritized by the Council. **Option A** supports a better regional system and maintains positive relationships with King County and other cities using RASKC. **Option C** supports more efficient and better direct services to Kirkland residents, but impacts regional partners. **Option B**, the one year extension, provides a middle path that maintains both options but is not currently supported by King County. Staff requests that the City Council provides direction as to the preferred option for providing animal services or requests additional information needed to make a decision.

**Animal Services ILA for 2013 Through 2015
(R-4925)**

Excerpt of ILA "Term"

- 4. Term.** Except as otherwise specified in Section 15, this Agreement will take effect as of July 1, 2012 and, unless extended pursuant to Subparagraph 4.b below, shall remain in effect through December 31, 2015. The Agreement may not be terminated for convenience.
- a. Latecomers. The County may sign an agreement with additional cities for provision of animal services prior to the termination or expiration of this Agreement, but only if the later agreement will not cause an increase in the City's costs payable to the County under this Agreement. Cities that are party to such agreements are referred to herein as "Latecomer Cities."
 - b. Extension of Term. The Parties may agree to extend the Agreement for an additional two-year term, ending on December 31, 2017. For purposes of determining whether the Agreement shall be extended, the County will invite all Contracting Cities to meet in September 2014, to discuss both: (1) a possible extension of the Agreement under the same terms and conditions; and (2) a possible extension with amended terms.
 - i. Either Party may propose amendments to the Agreement as a condition of an extension.
 - ii. Nothing in this Agreement shall be construed to compel either Party to agree to an extension or amendment of the Agreement, either on the same or different terms.
 - iii. The County agrees to give serious consideration to maintaining the various credits provided to the Contracting City under this Agreement in any extension of the Agreement.
 - c. Notice of Intent to Not Extend. No later than March 1, 2015, the Parties shall provide written notice to one another of whether they wish to extend this Agreement on the same or amended terms. The County will include a written reminder of this March 1 deadline when providing the City notice of its 2015 Estimated Payments (notice due December 15, 2014 per Section 5). By April 5, 2015, the County will provide all Contracting Cities with a list of all Contracting Parties submitting such notices indicating which Parties do not seek an extension, which Parties request an extension under the same terms, and which Parties request an extension under amended terms.
 - d. Timeline for Extension. If the Contracting Parties wish to extend their respective Agreements (whether under the same or amended terms) through December 31, 2017, they shall do so in writing no later than July 1, 2015. Absent such an agreed extension, the Agreement shall terminate on December 31, 2015.
 - e. Limited Reopener and Termination. If a countywide, voter approved property tax levy for funding some or all of the Animal Services program is proposed that would impose new tax obligations before January 1, 2016, this Agreement shall be re-opened for the limited purposes of negotiating potential changes to the cost and revenue allocation formulas herein. Such changes may be made in order to reasonably ensure that the Contracting Cities are receiving equitable benefits from the proposed new levy revenues. Re-opener negotiations shall be initiated by the County no later than 60 days before the date of formal transmittal of such proposal to the County Council for its consideration. Notwithstanding anything in this Agreement to the contrary, if the re-opener negotiations have failed to result in mutually agreed upon changes to the cost and revenue allocation formulas (as reflected in either an executed amendment to this Agreement or a memorandum of understanding signed between the chief executive officers of the Parties) within 10 days of the date that the election results confirming approval of such proposal are certified, either Party may terminate this Agreement by providing notice to the other Party no sooner than the date the election results are certified and no later than 15 days following the end of such 10-day period. Any termination notice so issued will become effective 180 days following the date of the successful election, or the date on which the levy is first imposed, whichever is sooner.
 - f. The 2010 Agreement remains in effect through December 31, 2012. Nothing in this Agreement shall limit or amend the obligation of the County to provide Animal Services under the 2010 Agreement as provided therein and nothing in this Agreement shall amend the obligations therein with respect to the calculation, timing, and reconciliation of payment of such services.

ILA Term: January 1, 2013 through December 31, 2015.

The Parties may agree to extend the Agreement for an additional two-year term, ending on December 31, 2017.

Timelines

September 2014	For purposes of determining whether the Agreement shall be extended, the County will invite all Contracting Cities to meet to discuss both: (1) a possible extension of the Agreement under the same terms and conditions; and (2) a possible extension with amended terms.
December 15, 2014	County will include a written reminder of the March 1 deadline when providing the City notice of its 2015 Estimated Payments
March 1, 2015	The Parties shall provide written notice to one another of whether they wish to extend this Agreement on the same or amended terms, no later than March 1, 2015.
April 5, 2015	The County will provide all Contracting Cities with a list of all Contracting Parties submitting such notices indicating which Parties do not seek an extension, which Parties request an extension under the same terms, and which Parties request an extension under amended terms.
July 1, 2015	If the Contracting Parties wish to extend their respective Agreements (whether under the same or amended terms) through December 31, 2017, they shall do so in writing no later than July 1, 2015.

**AGREEMENT TO EXTEND
ANIMAL SERVICES INTERLOCAL AGREEMENT
THROUGH DECEMBER 31, 2017**

This AGREEMENT is made and entered into by and between KING COUNTY, a Washington municipal corporation and legal subdivision of the State of Washington (the "County") and the undersigned Cities ("Contracting Cities").

WHEREAS, the County and each Contracting City entered into an Interlocal Agreement regarding the provision of animal control, sheltering and licensing services for the period of 2013 through 2015 ("Interlocal Agreement"); and

WHEREAS, the Interlocal Agreement took effect on July 1, 2012 and remains in effect through December 31, 2015, unless otherwise extended through December 31, 2017; and

WHEREAS, the County and Contracting Cities ("the Parties") wish to extend the Interlocal Agreement through December 31, 2017, as contemplated within Section 4 of the Interlocal Agreement;

NOW THEREFORE, in consideration of the promises, covenants and agreements contained in the Interlocal Agreement, as extended, the Parties agree as follows:

1. The Interlocal Agreement shall remain in effect through December 31, 2017 under the same terms and conditions and may not be terminated for convenience.
2. The County may sign an agreement with additional cities for provision of animal services prior to the expiration of the Interlocal Agreement, but only if the later agreement will not cause an increase in the Contracting Cities' costs payable to the County under this Agreement.
3. The Parties agree that, in light of their decision to now extend the Interlocal Agreement for an additional two year term as provided herein, procedures set forth in Section 4 of the Interlocal Agreement for meeting to discuss the prospect of an extension, for proposing amendments to the Interlocal Agreement during the extended term and for providing notice of intent to extend the Interlocal Agreement are superfluous. The Parties accordingly waive their rights to such procedures.
4. This Agreement to extend the Interlocal Agreement may be executed in counterparts by each Contracting City and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed effective this ____ day of _____, 2014.

King County

City of _____

Dow Constantine
King County Executive

Name
Title (Mayor/City Manager)

Date

Date

Approved as to form:

Approved as to form:

King County
Deputy Prosecuting Attorney

City Attorney

Date

Date

TO: All cities currently contracting with King County for animal services
 FROM: Norm Alberg, Director, Records and Licensing Services Division
 Diane Carlson, Director of Regional Initiatives, King County Executive's Office
 RE: **Your City's indication of interest in entering into a 2 year renewal of the Regional Animal Services Interlocal Agreement (2016-2017) Response requested by 11/15/14**

Hello—

As you know, the County has been in discussion with cities for several months now regarding the Regional Animal Services Interlocal Agreement, beyond 2015. The current Agreement expires at the end of 2015 and the Joint City County Collaboration (J4C) has discussed the possibility of either a two year extension (as provided for in the current agreement) or entering into negotiations for a successor agreement.

The County Executive supports the two year extension under the same terms and conditions as the current Agreement. Such an extension would take the Agreement through the end of 2017. At the September (J4C) meeting, we asked cities if they would provide notice of interest in the 2 year extension in November. If all cities currently contracting with King County for animal services agree to the extension, the County and cities do not need to enter into formal negotiations for a successor. ***We are asking cities for a non-binding indication of interest in extending the Agreement for 2 years, under the same terms and conditions as the current ILA, through return of the response below from the Mayor, City Manager or Administrator.***

If we receive the indication of interest to extend the Agreement from all of the 25 contract cities, we will ask cities for the Agreement to Extend to be approved and sent to RASKC by the end of January. If RASKC does not receive notice of interest in extending for 2 years from all 25 of the contract cities, RASKC will initiate the negotiations process.

With this correspondence you will find several documents to assist with your city discussion:

- Animal Services Interlocal Extension Agreement
- RASKC Usage and Population Data for Draft 2016 Payment Calculation
- RASKC 2016 Estimated Payment Calculation
- RASKC Budget Inflator Cap and Allocation Cost Summary 2014-2017

Please confirm your response by completing the information below and sending to Norm Alberg by November 15th, 2014 at the email address listed below:

City of _____ IS interested in extending the Regional Animal Services Interlocal Agreement for 2 years, **under the same terms and conditions as the current ILA**, through 2017 and would proceed to seek formal approval of the Agreement to Extend Animal Services Interlocal Agreement, by the end of January 2015 if all 25 cities provide similar notice of interest.

Name: _____ Date: _____
 Title: _____

If you have any questions about the attached materials please contact us at the phone numbers or email addresses below.

Norm Alberg: (206-296-1559) Norm.Alberg@kingcounty.gov

Diane Carlson: (206 263-9631) Diane.Carlson@kingcounty.gov

Sean Bouffiu: (206-296-4148) Sean.Bouffiu@kingcounty.gov

Revised October 17, 2014

Benefits of a Regional Program

Benefits of a regional animal services system as identified by the Joint Cities-County Work Group on Animal Services in 2010 (2010-B0095) include:

- **Public health and safety** – ability to track animal public health issues regionally (like rabies) and handle multi-jurisdictional animal control cases;
- **Animal welfare** – reduce pressure on non-profit shelters, create regional capacity for emergency response and large volunteer groups, and avoid competition between jurisdictions for shelter space;
- **Customer service** – single point of contact for lost pets or citizen complaints, uniform pet licensing program that is easier to understand, and database management for better customer service, such as returning animals to owners; and
- **Efficient services** – regional spay-neuter program, economies of scale, and a consistent approach to animal care and control countywide.

Services

The three functions of the regional program are sheltering, animal control and pet licensing.

- Sheltering – Shelter services include the general care and feeding, cleaning, exercise and reasonable medical attention for owner-released, lost or stray dogs, cats and other animals for residents of the partner jurisdictions. The services are provided 7 days per week, 365 days per year, at the County's animal shelter in Kent. The shelter also confines dangerous animals as necessary and regionally coordinates disaster/emergency preparedness for animals.
- Control/Field Services –Animal control services includes operation of a public call center, dispatch of animal control officers in response to calls, and handling of calls in the field by animal control officers, including the collection and delivery of animals to the Kent Shelter. Services to the partner cities and unincorporated King County are spread amongst three control service districts, Northern, Eastern, and Southern Districts.
- Licensing – Licensing services include the operation and maintenance of a unified system and database to license pets in the partner jurisdictions. The public can purchase pet licenses at various locations such as the King County shelter and licensing office, pet businesses and other private locations, City facilities, and on-line. The County actively engages in efforts to encourage pet license renewal.

How is the Regional Program Funded?

The table below shows the sources of revenue that support the regional program. The 2015-2016 proposed program expenditures are \$14.2 million for the biennium, or approximately \$7.1 million per year.

Animal services costs are supported primarily by licensing revenue, payment by each jurisdiction for costs not covered by their licensing revenue, and a county general fund subsidy. There is also other income from enhanced services, donations, fees and fines.

Table 1. RASKC Revenue Sources for 2014 and 2015

	2014	Percent of Revenue	2015	Percent of Revenue
City	\$2,500,000	38%	\$2,610,000	38%
City pet licensing revenue	\$1,700,000		\$1,850,000	
City payment for services ¹	\$814,000		\$764,000	
Unincorporated	\$1,600,000	25%	\$1,660,000	24%
Unincorporated pet licensing revenue	\$825,000		\$917,000	
Unincorporated payment for services (General fund)	\$775,000		\$744,000	
General Fund Subsidy	\$1,800,000	28%	\$1,900,000	27%
General fund direct contribution	\$869,000		\$900,000	
General fund monetary credits	\$987,000		\$987,000	
Other	\$584,000	9%	\$782,000	11%
Enhanced services, donations, fees, fines	\$584,000		\$782,000	
Total	\$6,500,000	100%	\$6,950,000	100%

¹ City payment is determined by a cost model in the ILA that is based on 20 percent pet population and 80 percent usage of the system, and assumes General Fund contributions to make up the difference between the cost model and the actual costs of service.

Interlocal Agreement Terms and Renewal Timelines

Executive staff report that on September 4, 2014, at a meeting of the Joint City County Collaboration Committee, the County and many cities at the meeting expressed a desire to exercise a two-year extension option, under the same terms as are currently contained in the agreements. Executive staff also indicated that one city expressed preference for a one-year agreement. Parties may propose amendments to the Agreements as a condition of extension.

Under the terms of the current ILA, the parties must provide notice of their intent to extend the ILA by March 31, 2015, and the agreement must be approved on or before July 1, 2015. Therefore, Executive staff report that for a non-extended contract that is renegotiated, the parties would need to begin negotiations on a successor agreement in the fourth quarter of 2014. If a two-year extension were approved, negotiations for a successor agreement would begin around September 1, 2016, with a final agreement deadline of June 30, 2017, for a new contract commencing January 1, 2018.

Two Year Extension Timelines

- January 1, 2013 – Three-year ILA commenced
- March 31, 2015 – Parties must provide notice of intent to extend contract, if desired
- July 1, 2015 – Extension agreement approval deadline
- January 1, 2016 – ILA extension would begin and run through December 31, 2017
- December 31, 2017 – Current ILA would end

Timeline if No Extension

- January 1, 2013 – Three-year ILA commenced
- 4th Quarter 2014 – Negotiations would begin for a new contract
- December 31, 2015 – Current ILA would end at end of next year

Pet Licensing Revenue Efforts

Because pet licensing revenue is one of the primary sources of revenue for the program besides direct contributions from partner jurisdictions and the General Fund, RASKC continually seeks to increase pet licensing revenue as a means of heading towards greater financial sustainability.

In the 2013 annual budget (Ordinance 17476) the Council articulated the goal of improving RASKC's financial sustainability and decreasing its reliance on the General Fund. In that budget, the Council adopted a proviso directing RASKC to develop an operational strategic plan and technical report to "further the goal of developing a sustainable program for regional animal services with sustainable funding resources, while preserving the county's commitment to maintain levels of animal care and control that will protect animal and human health and safety and, to the greatest degree practicable, prevent injury to property and cruelty to animal life."

In its response, RASKC initially proposed a mandatory rabies vaccination reporting strategy that was projected to increase pet licensing revenues and eliminate RASKC's reliance on the General Fund by 2020. After extensive negative feedback from the public and the Council, RASKC withdrew its proposal. As a result, the 2015-2016 budget shows very little change in revenue projections. The main revenue generator, pet licensing, is assigned a three percent increase biennially in the RASKC financial plan (or about 1.5 percent per year), increasing from \$5,436,770 in 2013-2014 to \$5,599,873 in 2015-2016. The RASKC financial plan also shows a 2017-2018 projected ending negative fund balance of \$510,000 that grows to a projected \$2 million in 2019-2020.

The 2015-2016 proposed budget contains a funding request for \$100,000 to be spent on promotional marketing activities. The request is proposed to be funded by advertising on the RASKC web site, sponsorships and other such revenue opportunities.

ATTACHMENTS None

Regional Animal Services of King County
Estimated 2016 Payment Calculation (Annualized)

Allocation Method: Population = 20%, Usage = 80%, Three (3) Control Districts: 200, 220, and 500; costs to districts 25%, 25%, 50%. Usage and Licensing Revenue based on 2013 Final, Population based on 2014 OFM.

		Control	Shelter	Licensing	Total Allocated Costs (1)	2013 Licensing Revenue (est)	Estimated Net Cost						
Budgeted Total Allocable Costs		\$1,922,065	\$3,061,388	\$731,313	\$5,714,766								
Budgeted Non-Licensing Revenue		\$131,000	\$123,400	\$80,000	\$334,400								
Budgeted New Regional Revenue (50%)		\$0	\$0	\$0	\$0								
Budgeted Net Allocable Costs		\$1,791,065	\$2,937,988	\$651,313	\$5,380,366	\$2,695,059	-\$2,685,307						

Animal Control District Number	Jurisdiction	Estimated Animal Control Cost Allocation (2)	Estimated Sheltering Cost Allocation (3)	Estimated Licensing Cost Allocation (4)	Estimated Total Animal Services Cost Allocation	Program Load Factor (9)	2013 Licensing Revenue	Estimated Net Cost Allocation	2013-2015 Transition Funding (Annual) (5)	2013 - 2015 Shelter Credits (Annual) (6)	Estimated Net Costs with Transition Funding and Credits	Estimated Revenue from Licensing Support (7)	Estimated Net Final Cost (8)
200	Carnation	\$3,256	\$6,553	\$1,283	\$11,092	0.2062%	\$5,422	-\$5,670	\$552	\$0	-\$5,118	\$0	-\$5,118
	Duvall	\$10,511	\$12,005	\$5,608	\$28,124	0.5227%	\$24,697	-\$3,427		\$0	-\$3,427	\$0	-\$3,427
	Est. Uninc. King County	\$100,377	(see total below)	(see total below)	(see total below)		(see total below)	(see total below)	NA	NA	NA	NA	NA
	Kenmore	\$34,701	\$12,551	\$14,769	\$62,021	1.1527%	\$61,337	-\$684	\$0	\$0	-\$684	\$0	-\$684
	Kirkland	\$81,910	\$98,575	\$59,467	\$239,952	4.4598%	\$251,597	\$11,645	\$0	\$0	\$11,645	\$0	\$11,645
	Lake Forest Park	\$16,207	\$7,488	\$10,481	\$34,176	0.6352%	\$44,487	\$10,311	\$0	\$0	\$10,311	\$0	\$10,311
	Redmond	\$55,777	\$72,402	\$30,425	\$158,604	2.9478%	\$118,374	-\$40,230	\$0	\$0	-\$40,230	\$0	-\$40,230
	Sammamish	\$38,349	\$49,839	\$28,904	\$117,092	2.1763%	\$118,484	\$1,392	\$0	\$0	\$1,392	\$0	\$1,392
	Shoreline	\$92,893	\$31,710	\$35,152	\$159,755	2.9692%	\$143,331	-\$16,424	\$0	\$0	-\$16,424	\$0	-\$16,424
	Woodinville	\$13,787	\$6,602	\$7,229	\$27,618	0.5133%	\$29,437	\$1,819	\$0	\$0	\$1,819	\$0	\$1,819
SUBTOTAL FOR CITIES IN 200 (excludes unincorporated)		\$347,389	\$297,725	\$193,319	\$838,434		\$797,166	-\$41,268	\$552	\$0	-\$40,716	\$0	-\$40,716
220	Beaux Arts	\$84	\$173	\$255	\$513	0.0095%	\$1,107	\$594	\$0	\$0	\$594	\$0	\$594
	Bellevue	\$139,451	\$158,714	\$77,744	\$375,909	6.9867%	\$309,602	-\$66,307		\$0	-\$66,307	\$0	-\$66,307
	Clyde Hill	\$2,320	\$2,309	\$1,867	\$6,497	0.1208%	\$7,946	\$1,449	\$0	\$0	\$1,449	\$0	\$1,449
	Est. Uninc. King County	\$169,026	(see total below)	(see total below)	(see total below)		(see total below)	(see total below)	NA	NA	NA	NA	NA
	Issaquah	\$62,995	\$46,271	\$16,440	\$125,705	2.3364%	\$61,542	-\$64,163	\$0	\$0	-\$64,163	\$0	-\$64,163
	Mercer Island	\$18,083	\$29,646	\$13,294	\$61,024	1.1342%	\$52,935	-\$8,089	\$0	\$0	-\$8,089	\$0	-\$8,089
	Newcastle	\$19,209	\$20,127	\$5,312	\$44,649	0.8298%	\$20,345	-\$24,304	\$0	\$0	-\$24,304	\$0	-\$24,304
	North Bend	\$20,833	\$17,443	\$4,184	\$42,459	0.7892%	\$17,687	-\$24,772	\$1,376	\$586	-\$22,810	\$0	-\$22,810
	Snoqualmie	\$14,010	\$17,578	\$7,217	\$38,805	0.7212%	\$29,879	-\$8,926	\$0	\$0	-\$8,926	\$0	-\$8,926
	Yarrow Point	\$1,754	\$596	\$710	\$3,060	0.0569%	\$3,115	\$55	\$0	\$0	\$55	\$0	\$55
SUBTOTAL FOR CITIES IN 220 (excludes unincorporated)		\$278,740	\$292,858	\$127,024	\$698,622		\$504,158	-\$194,464	\$1,376	\$586	-\$192,502	\$0	-\$192,502
500	Kent	\$259,628	\$792,045	\$66,059	\$1,117,731	20.7743%	\$259,623	-\$858,108	\$110,495	\$495,870	-\$251,743	\$0	-\$251,743
	SeaTac	\$90,857	\$190,631	\$12,600	\$294,088	5.4660%	\$47,092	-\$246,996	\$7,442	\$116,611	-\$122,943	\$0	-\$122,943
	Tukwila	\$59,427	\$126,822	\$9,056	\$195,304	3.6299%	\$34,953	-\$160,351	\$5,255	\$61,987	-\$93,109	\$0	-\$93,109
	Black Diamond	\$7,279	\$16,760	\$3,633	\$27,672	0.5143%	\$15,911	-\$11,761	\$1,209	\$3,263	-\$7,289	\$0	-\$7,289
	Covington	\$61,134	\$135,196	\$12,571	\$208,901	3.8827%	\$53,271	-\$155,630	\$5,070	\$36,409	-\$114,151	\$0	-\$114,151
	Enumclaw	\$28,691	\$63,745	\$6,773	\$99,209	1.8439%	\$26,741	-\$72,468	\$11,188	\$28,407	-\$32,873	\$0	-\$32,873
	Est. Uninc. King County	\$329,512	(see total below)	(see total below)	(see total below)		(see total below)	(see total below)	NA	NA	NA	NA	NA
	Maple Valley	\$59,005	\$93,458	\$15,214	\$167,676	3.1164%	\$62,720	-\$104,956	\$6,027	\$6,867	-\$92,062	\$0	-\$92,062
SUBTOTAL FOR CITIES IN 500 (excludes unincorporated)		\$566,021	\$1,418,655	\$125,905	\$2,110,581		\$500,311	-\$1,610,270	\$146,686	\$749,414	-\$714,170	\$0	-\$714,170
TOTAL FOR CITIES		\$1,192,150	\$2,009,238	\$446,248	\$3,647,637		\$1,801,635	-\$1,846,002	\$148,614	\$750,000	-\$947,388	\$0	-\$947,388
Total King County Unincorporated		\$598,915	\$928,750	\$205,065	\$1,732,729	32.2047%	\$893,424	-\$839,305					-\$839,305
		\$1,791,065	\$2,937,988	\$651,313	\$5,380,366	100.00%	\$2,695,059	-\$2,685,307					

Source: Regional Animal Services of King County

Date: September 3, 2014 - DRAFT Estimated 2016 Payment Calculation

Notes:

1. Costs have been estimated based on the Preliminary Budget Inflation Cap for 2015, and an estimated Budget Inflation Cap that assumes a 1% population growth factor (RASKC operating estimate) and 2.01% CPI-U (King County Office of Economic and Financial Analysis - August 2014 Forecast)
2. One quarter of control services costs are allocated to control districts 200 and 220, and one half of control costs are allocated to district 500, costs are further allocated 80% by total call volume (2013 Calls) and 20% by population (OFM, 2014).
3. This excludes the cost to northern cities of sheltering their animals at PAWS under separate contracts. Shelter costs are allocated 80% based on King County shelter volume intake (2013) and 20% by population (OFM, 2014).
4. Licensing costs are allocated 20% by population (2014) and 80% by total number of Pet Licenses issued (2013) excluding \$0.00 Sr. Lifetime Licenses, Buddy and temporary Licenses.
5. Transition funding is allocated per capita in a two tier formula to cities with certain per capita net cost allocations. For additional detail, see 2010 Interlocal Agreement Exhibit C-4 (2013 column). Transition Funding does not change for years 2013 - 2015. For purposes of preparing an Estimated 2016 Payment Calculation, the Transition Funding Credit has been carried forward.
6. Shelter Credits are allocated to those jurisdictions whose shelter intakes per capita exceeded the system average (.0043) and are intended to help minimize the impact of changing the cost allocation methodology from 50% population/50 usage to the new 20% population/80% usage model. See Interlocal Agreement Exhibit C-4 for more detail. For purposes of preparing an Estimated 2016 Payment Calculation, the Shelter Credits have been carried forward.
7. Licensing Support Funding has been reduced to zero (\$0.00) for purposes of preparing the Estimated 2016 Payment Calculation. Actual Licensing Support will depend on execution of a Licensing Support Agreement, which is an option for all cities.
8. Net Final Costs greater than \$0 will be reallocated to remaining jurisdictions with a negative net final cost during Reconciliation, northern cities Net Final Costs shall be inclusive of their PAWS Sheltering costs. The Estimated Payment (Refer to ILA Exhibit C, Part 4), due on June 15 and December 15, is determined by taking the Estimated Net Final Cost (annualized) as identified on this exhibit (C-1) and dividing it in half for each payment.
9. Program Load Factor (LF), per ILA Exhibit C, Part 4, Estimated Payment Calculation Formula, is the City's share of Budgeted Total Net Allocable Costs: it is the City's 2016 Service Year Total Animal Services Cost Allocation expressed as a percentage of the Budgeted Total Net Allocable Costs for 2016. Refer to the ILA for additional details.

C. A description of potential opportunities for coordination with the city of Seattle to secure a new shelter location, to expand an existing shelter location or to provide services that would replace the need for emergency shelter.

The executive must file the report and motion required by this proviso by June 30, 2015, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the policy staff director and the lead staff for the law, justice, health and human services committee, or its successor.

SECTION 87. REGIONAL ANIMAL SERVICES OF KING COUNTY - From the animal services fund there is hereby appropriated to:

Regional animal services of King County	\$14,198,000
The maximum number of FTEs for regional animal services of King County shall be:	43.17

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$100,000 shall be expended or encumbered solely for the purpose of conducting a promotional campaign to increase pet licensing revenues for Regional Animal Services of King County ("RASKC"). Of that amount, \$30,000 may be expended or encumbered upon RASKC receiving at least \$30,000 in revenue from revenue sources listed in this expenditure restriction; an additional \$30,000 may be expended or encumbered upon RASKC receiving at least a total of \$60,000 in revenue from revenue sources listed in this expenditure restriction; an additional \$40,000 may be expended or encumbered upon RASKC receiving at least a total of \$100,000 in revenue from revenue sources listed in this expenditure restriction. Revenue sources may include

1468 sponsorships, web-based advertising or new sources of revenue to support the
1469 promotional campaign. Revenues from pet licensing fees and penalties, bequests or
1470 donations may not be spent on the campaign.

1471 P1 PROVIDED THAT:

1472 Of this appropriation, \$1,900,000 is restricted as follows:

- 1473 A. \$1,500,000 shall not be expended or encumbered until the executive
1474 transmits a financial sustainability report and a motion that accepts the report; and
1475 B. \$400,000 shall not be expended or encumbered until the motion is passed
1476 by the council. The motion shall reference the subject matter, the proviso's ordinance,
1477 ordinance section and proviso number in both the title and body of the motion.

1478 The report shall identify principles and strategies for regional animal services of
1479 King County interlocal agreement contract negotiations that include how to lead the
1480 county closer to full-cost recovery and decrease reliance on the general fund. The report
1481 shall be informed by consideration of the costs and benefits of delivering regional animal
1482 services, and it shall be developed with monthly consultation with council staff.

1483 The executive must file the report and motion required by this proviso by March
1484 1, 2016, in the form of a paper original and an electronic copy with the clerk of the
1485 council, who shall retain the original and provide an electronic copy to all
1486 councilmembers, the council chief of staff, the policy staff director and the lead staff for
1487 the government accountability and oversight committee, or its successor.

1488 SECTION 88. ANIMAL BEQUEST - From the animal bequest fund there is
1489 hereby appropriated to:

1490 Animal bequest	\$280,000
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Regional Animal Services of King County

Attachment G

Estimated Payments 2014 - 2017

Jurisdiction	2014 Load Factor	2014 Final Estimated Net Final Cost	2015 Load Factor	2015 Preliminary Estimated Net Final Cost	New 2016 Program Load Factor ¹	2013-2015 Transition Funding (Annual)	2013 - 2015 Shelter Credits (Annual)	Estimated Revenue from Licensing Support	2016 Estimated Net Final Cost	2017 Estimated Net Final Cost	Load Factor Change 2015 to 2016
Carnation	0.1771%	-\$3,242	0.1772%	-\$3,262	0.2062%	\$552	\$0	\$0	-\$5,118	-\$5,476	0.0290%
Duvall	0.6431%	-\$10,271	0.6433%	-\$8,839	0.5227%		\$0	\$0	-\$3,427	-\$4,335	-0.1206%
Kenmore	1.2871%	-\$5,832	1.2875%	-\$5,786	1.1527%	\$0	\$0	\$0	-\$684	-\$2,687	-0.1348%
Kirkland	4.8320%	\$0	4.8337%	\$0	4.4598%		\$0	\$0	\$11,645	\$3,897	-0.3739%
Lake Forest Park	0.8323%	\$4,791	0.8326%	\$1,080	0.6352%	\$0	\$0	\$0	\$10,311	\$9,208	-0.1974%
Redmond	2.4832%	-\$4,805	2.4843%	-\$11,144	2.9478%	\$0	\$0	\$0	-\$40,230	-\$45,351	0.4635%
Sammamish	2.1805%	\$8,744	2.1815%	\$4,755	2.1763%	\$0	\$0	\$0	\$1,392	-\$2,389	-0.0052%
Shoreline	3.1717%	-\$13,214	3.1728%	-\$22,081	2.9692%	\$0	\$0	\$0	-\$16,424	-\$21,582	-0.2036%
Woodinville	0.5096%	\$4,604	0.5098%	\$2,859	0.5133%	\$0	\$0	\$0	\$1,819	\$928	0.0035%
Beaux Arts	0.0099%	\$412	0.0099%	\$593	0.0095%	\$0	\$0	\$0	\$594	\$578	-0.0003%
Bellevue (10)	7.7708%	-\$66,574	7.7734%	-\$72,707	6.9867%		\$0	\$0	-\$66,307	-\$78,445	-0.7868%
Clyde Hill	0.1393%	\$662	0.1393%	\$682	0.1208%	\$0	\$0	\$0	\$1,449	\$1,239	-0.0186%
Issaquah	2.2882%	-\$57,296	2.2888%	-\$57,783	2.3364%	\$0	\$0	\$0	-\$64,163	-\$68,222	0.0476%
Mercer Island	0.8954%	\$6,518	0.8958%	\$6,232	1.1342%	\$0	\$0	\$0	-\$8,089	-\$10,059	0.2384%
Newcastle	0.6669%	-\$13,125	0.6671%	-\$14,433	0.8298%	\$0	\$0	\$0	-\$24,304	-\$25,745	0.1628%
North Bend	0.7270%	-\$12,226	0.7272%	-\$18,261	0.7892%	\$1,376	\$586	\$0	-\$22,810	-\$24,181	0.0620%
Snoqualmie	0.6053%	-\$2,646	0.6055%	-\$1,690	0.7212%	\$0	\$0	\$0	-\$8,926	-\$10,179	0.1157%
Yarrow Point	0.0392%	\$905	0.0392%	\$1,070	0.0569%	\$0	\$0	\$0	\$55	-\$44	0.0177%
Black Diamond	0.5058%	-\$9,718	0.5059%	-\$5,990	0.5143%	\$1,209	\$3,263	\$0	-\$7,289	-\$8,182	0.0084%
Covington	2.8950%	-\$53,993	2.8954%	-\$56,198	3.8827%	\$5,070	\$36,409	\$0	-\$114,151	-\$120,896	0.9873%
Enumclaw	2.0616%	-\$33,472	2.0619%	-\$41,157	1.8439%	\$11,188	\$28,407	\$0	-\$32,873	-\$36,077	-0.2180%
Kent	22.4358%	-\$271,193	22.4382%	-\$303,803	20.7743%	\$110,495	\$495,870	\$0	-\$251,743	-\$287,834	-1.6640%
Maple Valley	2.4860%	-\$49,310	2.4865%	-\$54,018	3.1164%	\$6,027	\$6,867	\$0	-\$92,062	-\$97,476	0.6299%
SeaTac	5.4870%	-\$107,508	5.4876%	-\$114,943	5.4660%	\$7,442	\$116,611	\$0	-\$122,943	-\$132,439	-0.0216%
Tukwila	3.3815%	-\$69,849	3.3819%	-\$74,114	3.6299%	\$5,255	\$61,987	\$0	-\$93,109	-\$99,415	0.2481%
KC Unincorporated	31.4888%	-\$735,903	31.4736%	-\$747,414	32.2047%	\$148,614	\$750,000	\$0	-\$839,305	-\$895,254	0.7311%

¹The Program Load Factor is to be Reset based on 2014 usage and 2015 population for 2016 per the 2013-15 ILA. For the draft 2016 estimate, 2013 usage and 2014 population was used.

General Note: 2013 Pet Licensing Revenue has been used for 2015, 2016 and 2017. Non-Licensing revenue (\$334,000) has been assumed for purposes of this estimate for 2015-2017.

Budgeted Allocable Cost 2013-2017 (Estimated)

		Budget Inflator Cap applied to Budgeted Total Allocable Cost					Budget Inflator Cap applied to Service Categories (for purposes of creating a 2016 Cost Estimate Only)			
		Control	Shelter	Licensing	Total	Actual/ Estimated Budget Inflator Cap ¹	Control	Shelter	Licensing	Total
Base Year	2013 Budgeted Total Allocable Cost (Base)	1,770,487	2,819,960	673,640	5,264,087		1,770,487	2,819,960	673,640	5,264,087
	2013 Budgeted Non-Licensing Revenue	90,574	119,678	13,265	223,517					
	2013 Budgeted New Regional Revenue (50%)				-					
	2013 Budgeted Net Allocable Costs	1,679,913	2,700,282	660,375	5,040,570					
2014 Budgeted Total Allocable					5,383,056	2.26%	1,810,500	2,883,691	688,864	5,383,056
2014 Budgeted Non-Licensing Revenue					279,000					279,000
2014 Budgeted New Regional Revenue (50%)					-					-
2013 Budgeted Net Allocable Costs					5,104,056					5,104,056
2015 Budgeted Total Allocable (Preliminary)					5,547,778	3.06%	1,865,901	2,971,933	709,944	5,547,778
2015 Budgeted Non-Licensing Revenue					334,400					334,400
2015 Budgeted New Regional Revenue (50%)					-					-
2015 Budgeted Net Allocable Costs					5,213,378					5,213,378
New Base Year²	2016 Budgeted Total Allocable (Preliminary)	1,922,065	3,061,388	731,313	5,714,766	3.01%	1,922,065	3,061,388	731,313	5,714,766
	2016 Budgeted Non-Licensing Revenue	131,000	123,400	80,000	334,400		131,000	123,400	80,000	334,400
	2016 Budgeted New Regional Revenue (50%)	-	-	-	-		-	-	-	-
	2016 Budgeted Net Allocable Costs	1,791,065	2,937,988	651,313	5,380,366		1,791,065	2,937,988	651,313	5,380,366
2017 Budgeted Total Allocable (Preliminary)					5,888,495	3.04%				5,888,495
2017 Budgeted Non-Licensing Revenue					334,400					334,400
2017 Budgeted New Regional Revenue (50%)					-					-
2017 Budgeted Net Allocable Costs					5,554,095					5,554,095

¹ The Budget Inflator Cap for 2014 is final. The Budget Inflator Cap for 2015 is a preliminary estimate. The Budget Inflator Cap for 2016 and 2017 are based on a 1% annual population growth estimate and the estimated CPI-U for 2015 and 2016 (King County Office of Economic and Financial Analysis - August 2014 Forecast)

² New Base Year - The 2013-15 ILA established 2013 and 2016 as base years, whereby the allocated cost is updated for actual usage and population and a new Program Load Factor is set. In 2014 and 2015, as well as 2017, costs are allocated based on the Program Load Factor established in the base year unless adjustments to the Program Load Factor are made due to annexations and/or the addition of a "Latecomer City" as defined in the ILA.

2016 Assumptions

	King County	Kirkland
# Control Calls	310	310
Animals to Shelter	100	100
# of Licenses Sold	8,769	8,769
FTE's ¹	1	1
Vehicles	1	1
Administrative Costs		\$ -
Marketing Costs		\$ 10,900
Dispatch Costs		\$ 525
One Time Costs (2015)	\$ -	\$ 105,396

2016 Estimated Ongoing Animal Services Costs

	King County	Kirkland
Control	81,910	114,748
Shelter	98,575	16,500
Licensing	59,467	35,953
Licensing Support	-	-
Administration	-	-
Marketing	-	10,900
Dispatch	-	350
Apportioned One-time Costs ²	-	35,132
Total Costs ^{2/}	239,952	213,583
Projected Revenues	251,597	252,000
Total Estimated Net (Cost)/Revenue ³	11,645	38,417

2016 Estimated per Unit Animal Services Costs

	King County (Based on Estimated Use)	Kirkland (Based on 3 Year Average)
Cost Per Control Call	\$ 264.23	\$ 371.28
Cost Per Shelter	\$ 985.75	\$ 165.00
Cost Per License	\$ 6.78	\$ 4.10
Unit Cost	\$ 1,256.76	\$ 540.38

Notes:

1/Position start date of October 1, 2015 at step 4.

2/Represents 1/3 of one time start up equipment and vehicle costs paid in 2015.

3/Per Section 7b. of the 2013 ILA, excess revenues are reinvested into the RASKC Program to reduce costs of the other Contracting Parties and to improve service delivery.

City of Kirkland Cost Model
12/11/14 DRAFT

Attachment I

	<u>2015 One-Time</u>	<u>2015 Ongoing</u>	<u>2016 Ongoing</u>	<u>2017 Ongoing</u>	<u>2018 Ongoing</u>	<u>Total Costs</u>
Salaries		12,654	52,011	55,176	58,534	178,375
Benefits		7,922	32,393	34,020	35,757	110,092
Animals to Shelter		925	5,550	5,550	5,550	17,575
Uniforms	2,900	100	400	400	400	4,200
FTE's ^{1/}		300	1,200	1,200	1,200	3,900
Background	4,125	-	-	-	-	4,125
Equipment	17,350	45	45	45	45	17,530
Temporary Holding Pen	5,000	-				5,000
EPSCA Radio Fees	-	126	503	503	503	1,634
Operating Supplies	-	30	118	118	118	384
LLTU/Start Up Supplies	3,000	16	65	65	65	3,211
Laptop for Vehicle	5,021	-	-	-	-	5,021
New World Software/Pet Data Software	18,000	-	-	-	-	18,000
Office Supplies	-	38	150	150	150	488
Dues and Memberships		34	34	34	34	136
Training Supplies		25	25	25	25	100
Training Range/Registrations		288	1,150	1,150	1,150	3,738
Travel		100	400	400	400	1,300
Fleet Vehicle Purchase	50,000					50,000
Fleet Operations and Maintenance		1,260	5,040	5,040	5,040	16,380
Fleet Replacement		1,464	5,856	5,856	5,856	19,032
IT Replacement		696	2,785	2,785	2,785	9,051
IT Operating		1,756	7,023	7,023	7,023	22,825
IT Telecom		-	-	-	-	-
Marketing			5,000	5,000	5,000	15,000
License Renewal Efforts			5,000	5,000	5,000	15,000
Communication			900	900	900	2,700
Total	105,396.00	27,778	125,648	130,440	135,535	389,262

<u>Assumptions</u>		2015	2016	2017	2018	Notes
Note: Position start date of October 1, 2015 at step 4.				2%	2%	Per 2012 Council Retreat Packet
Benefits				3%	3%	Per 2012 Council Retreat Packet

These need to be updated along with the Salary Recap tab

These need to be updated along with the Salary Recap tab

	Cost	Life	Cost Per Year Over Life Expectancy	Notes		
New	50,000	8	6,250	8-10 Years depending on use per Tim Llewellyn in 2012		
Used	5,000	1	5,000	1-2 Years (van already has 160,000 miles) per Tim Llewellyn in 2012		
New	50,000	3	16,667			

City of Kirkland Cost Model

12/11/14 DRAFT

<u>Use' Assumptions Based on 3 Year Average of Actuals</u>	2011*	2012	2013	2014 (est)	assumption	Notes
Field Control Calls	145	287	282	310	310	Based on 2014 est.
Shelter Intakes	83	74	92	100	100	89 = 3-yr avg. Using 2014 est
Licenses Sold	6,203	8,045	8,769	8,867	8,769	Using 2013 act.
Priority One Calls "NORCOM Dispatch"	1	5	4	5	10	\$35 per P-1 NORCOM dispatch. Assumption of 10 per year per Mike Ursino 12.11.14

<u>Estimated Costs</u>	2015	2015	2016	2017	2018	Total	Notes
Dispatch - NORCOM		-	350	350	350	1,050	Estimate Priority 1 calls at 10 yr x \$35/call
Estimate Control - City ACO		27,778	114,748	119,540	124,635	386,701	All costs less marketing, renewal efforts and communication
Estimated Shelter - PAWS		-	16,500	16,500	16,500	49,500	\$165 per intake/100 intakes per year (2014 est)
Estimated Licensing - PetData		-	35,953	35,953	35,953	107,859	8,769 X \$4.1 (2013 act., rate \$4.10 per Mike Ursino 12/12)
Estimated Administration/Marketing Costs		-	10,900	10,900	10,900	32,700	marketing, canvassing, renewal efforts, Communication
One Time Costs	105,396					105,396	OT costs in 2015
Estimated Program Total Costs	105,396	27,778	178,451	183,243	188,338	683,205	
Target Revenue		-	252,000	252,000	252,000	756,000	Represents actual pet license sales from 2013 (conservative)
Net (Cost)/Revenue Allocation		(27,778)	73,549	68,757	63,662	178,191	
One Time Equipment Costs	55,396		18,465	18,465	18,465	55,396	OT equipment costs fully repaid by end of 2017
One Time Vehicle Costs	50,000		16,667	16,667	16,667	50,000	OT vehicle costs fully repaid by end of 2017
Total Net (Costs)/Revenue	(105,396)	(27,778)	38,417	33,625	28,530	72,795	

<u>Estimated Per Unit Costs</u>		2015	2016	2017	2018	Notes
Cost Per Control Call			\$ 371.28	\$ 386.74	\$ 403.18	Control calls + dispatch / est. (310)
Cost per Shelter Intake - PAWS*			\$ 165.00	\$ 165.00	\$ 165.00	Estimated intakes (100)
Cost Per License - PetData			\$ 4.05	\$ 4.05	\$ 4.10	Estimated licenses (8867)

*Should assume a # of intakes from SHS for strays & owner surrenders (50?) @ \$260?

City of Kirkland

Animal Services Program Promotional Strategy 2013-2015

The following marketing strategies may be used to raise awareness of the benefits of pet licensing and to encourage timely renewals. These strategies are intended to be use over the course of the Interlocal Agreement (Exhibit F) between the City of Kirkland and Regional Animal Services of King County (RASKC). Items noted with an asterisk (*) could be accomplished by a volunteer.

Kirkland Contacts:	Contract Management:	Capt. Mike Ursino & Lt. Nick Siebert, Police (Attend Joint Cities/Counties Work Group meetings)
	Marketing:	Marie Stake, City Manager's Office (Attends Marketing Subcommittee Meetings)
	License Sales @ City Hall	Michael Olson, Finance & Admin Dept

Printed Materials

Exhibit F requires that the City of Kirkland provide animal licensing in utility billing or other mailings at the cost of the City. The following strategies may be used.

City produced materials

- Information Rack Card – City of Kirkland “They May Not Need to Know How to Drive, But They Still Need a License”
 - Available at city and other public buildings, public events, etc.
- City Update newsletter – City of Kirkland
 - Published quarterly. (March, June, September, December)
 - Online + limited copies
- Poster – City of Kirkland “They May Not Need to Know How to Drive, But They Still Need a License”
 - Display at public buildings & businesses
- Public Service Announcement (PSA)
 - Forward to Neighborhood Associations for website & email distribution and web posting
- Signs on Mutt Mitt Stations in City Parks

RASKC produced materials

- Informational Brochures – King County Multi-languages
- Pet License Application “Tag You’re It” Mail In Envelope – King County
 - Currently available in multiple places at City Hall and at Community Centers

Paid Advertising

- Street Banner*
 - Pursue business sponsorship (local veterinary clinics, pet shops)
- Kirkland Recreation Guide
 - Spring/Summer edition
 - Fall/Winter edition

Info Booth at Special Events; Public Presentations; Public Displays

According to Exhibit F, the City of Kirkland is to provide presentations at two public events annually. Many events are held in Kirkland throughout the year and city buildings and libraries are public places to display information.

- Farmer's Markets*
 - Kirkland Wednesday Farmer's Market
 - Juanita Friday Market
- Dog Events*
 - Events at Jasper's Park
 - Events permitted by the City and organized by third party organizers
 - Events sponsored by the City of Kirkland
- Community Events*
 - Celebrate Kirkland/4th of July
 - Sports events
 - Concert events
- Neighborhood Association Meetings and picnics
 - Contact: Kari Page, 425-587-3011
- Kiosk information at City Hall Foyer and Police Lobby
- Info Booth at City Parks
- Kiosk Display (rotating display)
 - Kirkland Library
 - Kingsgate Library
 - Eastside Auto Licensing
 - Supporting Partners (e.g. Vet Offices)

Special Mailings

- Utility Billing Insert
 - “One Line” message on the statement
- Apartment Managers
 - Need to develop list of multifamily units within city limits
- Veterinary Clinics, Pet Stores, Pet Shelters* (See Attachment B)
 - Send city & county produced materials
 - RASKC staff to provide assistance

Web/Electronic/Telephone Communication

- Informational Webpage (www.kirklandwa.gov/petlicense)
- News Releases and Public Service Announcement Distributed via List Servs
 - News Room List
 - Neighborhood News List Serv
- KDOG website <http://www.kdog.org/>
 - There is currently a link to RASKC license on the homepage
- Purchase automatic dialing system that reaches Kirkland pet owners with a voice mail message reminding license holders to renew
 - Continue use of volunteers in call back program

Media Relations

- News Releases and Editorials
 - Kirkland Reporter
 - Kirkland Views
 - Kirkland Patch
 - Kirkland Weblog
 - SpokesDog Blog
- City Television (K-Gov and K-Life)
 - Currently Kirkland news program
 - Public Service Announcement – King County
 - Currently airing on K-Life

Expanded Sales Effort

- *Volunteers for Events* – Recruit, organize training materials and complete formal training for volunteers to staff booths at events to inform and sell new pet licenses.
- *Non-Profit Groups* – Approach non-profit groups such as KDOG, about selling dog licenses. A 501 (C)3 non-profit agency can raise \$2 for every license tag sold for their organization. City could organize training materials and provide formal training.
- *Canvassers* – If city funds are available, hire seasonal employees to go door-to-door selling pet licenses. City to organize training materials and complete formal training for three to four seasonal staff members.

- *Expand Sales Outlets at City Buildings* –Police & Finance Departments can work cross divisionally to ensure proper staff training, and accounting and IT adjustments are made to allow pet licenses to be sold at locations other than City Hall. (e.g. Community Centers, Public Safety Building)
- *Expand Sales Outlets at Businesses* – Reach out to veterinary clinics and pet related businesses. Provide training (if necessary) and materials. Establish liaison relationship. Works with RASKC staff on developing model. (See Attachment A for “Supporting Partners.”)

Attachment A: Support Local Partners

ATTACHMENT A: SUPPORTING PARTNERS - LOCAL VET CLINICS, PET RETAIL STORES & COMMUNITY INFORMATION CENTERS

Veterinary Clinics:

1. Eastside Veterinary Associates
2. Juanita Bay Veterinary Hospital
3. Kirkland Animal Hospital
4. Northwest Animal Eye Specialists
5. Puget Sound Animal Hospital
6. Seattle Veterinary Specialists Inc.
7. VCA Rose Hill Animal Hospital

Pet Stores/Groomers & Shelters:

1. Barkz Redux LLC (Pet food retail)
2. Denny's Pet World (Pet shop)
3. Dooleys Dog House Inc. (Pet food retail)
4. Heads and Tails Grooming (Pet food retail & grooming)
5. Meow Cat Rescue (Shelter)
6. PETCO #201 (Pet shop & groomer)
7. Pup Scrub (Groomer)
8. Purrfect Pals Cat Shelter @ Dooley's Dog House (Adoptions)
9. Purrfect Pals Cat Shelter @ PETCO #201 (Adoptions)
10. Scampers LLC (Daycare)
11. Scruff to Fluff (Groomer)
12. Tia's Doggie Spa (Groomer)
13. Washington Ferret Rescue and Shelter

Other Retailers/Public Facilities:

1. Starbucks (10 locations)
2. Kirkland Public Library
3. Eastside Auto License Agency**
4. Kirkland Performance Center
5. QFC (3 locations) **
6. Safeway (3 locations)
7. Albertsons (1 location)
8. PCC (1 location)
9. Metropolitan Market (1 location)
10. COSTCO
11. City of Kirkland – Public access areas

** Current license sales partner